



Town of Arlington Summit II

Public Input On Service Priorities & Next 5-Yr Plan



AGENDA

1. Purpose of Summit II
2. Current 5-Yr Plan & Projection of Next 5-Yrs
 - Operating Budget
 - Capital & Debt
3. Small Group Discussions
4. Review Results From Discussions
5. Next Steps
6. Adjourn – 9:00 PM



PURPOSE OF COMMUNITY INPUT MEETING

To reach out to a diverse cross section of Arlington's residents to begin the process of seeking community input into the priorities for the next five year plan.



Five-Year Plan Commitments

- No general override for 5 years (FY2006-FY2010)
- Health care increases capped at 7%
- Pension costs capped at 4%
- Town and School operating budgets capped at 4% - decreased if health insurance exceeds 7%
- Reserves maintained at 5% of budget

FIVE YEAR FINANCIAL PLAN

	FY 2006	FY 2007	Percent Change	FY 2008	Percent Change	FY 2009	Percent Change	FY 2010	Percent Change
I REVENUE									
A. State Aid	14,790,887	15,600,746	5.48%	15,980,823	2.44%	16,580,823	3.75%	17,180,823	3.62%
School Construction Aid	2,332,555	2,269,282	-2.71%	2,194,022	-3.32%	2,194,022	0.00%	2,194,022	0.00%
B. Local Receipts	8,448,336	8,172,024	-3.27%	8,834,256	8.10%	8,884,256	0.57%	8,934,256	0.56%
C. Free Cash	1,614,155	2,084,695	29.15%	954,736	-54.20%	1,300,000	36.16%	1,300,000	0.00%
D. Overlay Reserve Surplus	400,000	400,000	0.00%	500,000	25.00%	400,000	-20.00%	400,000	0.00%
E. Property Tax	73,525,801	76,778,350	4.42%	78,983,969	2.87%	81,013,995	2.57%	83,216,555	2.72%
F. Override Stabilization Fund	0					1,081,017		2,776,956	
TOTAL REVENUES	101,111,734	105,305,097	4.15%	107,447,806	2.03%	111,454,113	3.73%	116,002,612	4.08%
II APPROPRIATIONS									
A. Operating Budgets									
School	34,280,903	35,363,743	3.16%	36,775,603	3.99%	38,246,627	4.00%	39,776,492	4.00%
Minuteman	2,573,834	2,893,035	12.40%	3,276,622	13.26%	3,407,687	4.00%	3,543,994	4.00%
Town Personnel Services	19,289,018	19,880,738		20,926,813		21,763,886		22,634,441	
Expenses	7,996,769	8,434,905		8,722,073		9,044,790		9,379,447	
Less Offsets:									
Enterprise Fund/Other	1,486,247	1,535,102		1,843,186		1,916,913		1,993,590	
Tip Fee Stabilization Fund	400,000	680,000		680,000		680,000		680,000	
Net Town Budget	25,399,540	26,100,541	2.76%	27,125,700	3.93%	28,211,762	4.00%	29,340,298	4.00%
MWR RA Debt Shift	5,475,486	5,593,112		5,593,112		5,593,112		5,593,112	
B. Capital budget									
Exempt Debt Service	3,231,757	3,143,808	-2.72%	3,114,096	-0.95%	2,904,056	-6.74%	2,810,551	-3.22%
Non-Exempt Service	4,075,799	3,950,037	-3.09%	4,431,942	12.20%	4,535,287	2.33%	4,720,085	4.07%
Cash	707,110	917,458	29.75%	806,708	-12.07%	864,250	7.13%	854,750	-1.10%
Total Capital	8,014,666	8,011,303	-0.04%	8,352,746	4.26%	8,303,593	-0.59%	8,385,386	0.99%
C. Pensions	6,345,069	6,496,453	2.39%	6,706,716	3.24%	6,974,985	4.00%	7,253,985	4.00%
D. Insurance	12,259,672	14,082,511	14.87%	15,009,885	6.59%	16,060,577	7.00%	17,184,817	7.00%
E. State Assessments	2,543,085	2,605,385	2.45%	2,683,277	2.99%	2,750,359	2.50%	2,819,118	2.50%
F. Offset Aid - Library & School	497,260	75,461	-84.82%	75,761	0.40%	75,761	0.00%	75,761	0.00%
G. Overlay Reserve	902,675	1,194,924	32.38%	600,000	-49.79%	600,000	0.00%	800,000	33.33%
H. Other Crt Jdgmts/ Snow Deficit	499,606	413,733	-17.19%	253,409	-38.75%	300,000	18.39%	300,000	0.00%
I. Warrant Articles	2,319,938	374,896	-83.84%	894,975	138.73%	929,649	3.87%	929,649	0.00%
J. Override Stabilization Fund		2,100,000		100,000	-95.24%				
TOTAL APPROPRIATIONS	101,111,734	105,305,097	4.15%	107,447,806	2.03%	111,454,112	3.73%	116,002,612	4.08%
BALANCE	(0)	(0)		(0)		0		0	



Revenues

- State aid, although increasing, is still \$1.3 million lower than FY 2002
- Revenue from local receipts, including motor vehicle excise taxes, is flat
- Department of Revenue's measure of municipal revenue growth shows Arlington below the statewide average by 36%



Town Expenditures

- Town and School operating budgets are limited to 4% growth
- Demand for town services are increasing
 - More traffic enforcement
 - More maintenance on an increased number of fields
 - Increased road and sidewalk maintenance and need to do more on handicapped accessibility issues
- Town staffing levels are 12% below the FY 2003 level
 - Police, Fire, DPW are at critically low levels
- Arlington is well below the statewide average for total expenditures per capita
 - Public Safety & Public Works are near bottom of comparable communities



School Budget Drivers:

Revenue

- General town revenues are limited to 4% growth
- Grants are declining as they become targeted to lower income, low performing districts
- **Net increase: less than 4%/ year**



School Budget Drivers: Expenses

- Salaries and most expenses can be limited to 4% increase /year
- Special Education costs are growing at more than twice this rate
- This causes cuts to non special education programs
- **\$850,000 in cuts next year**



School Operating Budget AND School Construction

- The operating budget is very tight, given rising special education costs
- Must also address the reconstruction or upgrading of Thompson, Stratton, and the High School.



STRUCTURAL DEFICIT

Typical Annual Growth

Revenues

Property Taxes	\$2,100,000
Local Receipts	\$ 50,000
State Aid	<u>\$ 600,000</u>
Total	\$2,750,000

Expenditures

Wage Adjustments	\$2,000,000
Health Ins/Medicare	\$1,300,000
Pensions	\$ 300,000
Misc. (utilities, capital/debt, special ed, other)	<u>\$1,000,000</u>
Total	\$4,600,000

Structural Deficit	(\$1,850,000)
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CAPITAL NEEDS

- Thompson & Stratton Schools =\$16-25M
- High School =\$25M
- Public Safety Building =\$5.5M
- Veterans' Memorial Rink =\$2M
- Fire Stations =\$12-16M
- Cemetery =\$4-8M
- Roadway Infrastructure =\$1M/YR

NEXT 5 YEARS

I REVENUE

	FY 2011	Percent Change	FY 2012	Percent Change	FY 2013	Percent Change	FY 2014	Percent Change	FY 2015	Percent Change
A. State Aid	17,780,823	3.49%	18,380,823	3.37%	18,980,823	3.26%	19,580,823	3.16%	20,180,823	3.06%
School Construction Aid	2,194,022	0.00%	2,194,022	0.00%	2,194,022	0.00%	2,194,022	0.00%	2,194,022	0.00%
B. Local Receipts	8,984,256	0.56%	9,034,256	0.56%	9,084,256	0.55%	9,134,256	0.55%	9,184,256	0.55%
C. Free Cash	1,300,000	0.00%	1,300,000	0.00%	1,300,000	0.00%	1,300,000	0.00%	1,300,000	0.00%
D. Overlay Reserve Surplus	300,000	-25.00%	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000	0.00%
E. Property Tax	85,486,569	2.73%	87,809,822	2.72%	90,682,737	3.27%	93,110,644	2.68%	95,617,106	2.69%
F. Override Stabilization Fund	984,366									
TOTAL REVENUES	117,030,036	0.89%	119,018,923	1.70%	122,541,838	2.96%	125,619,745	2.51%	128,776,207	2.51%

II APPROPRIATIONS

A. Operating Budgets										
School	41,367,552	4.00%	43,022,254	4.00%	44,743,144	4.00%	46,532,870	4.00%	48,394,185	4.00%
Minuteman	3,685,754	4.00%	3,833,184	4.00%	3,986,512	4.00%	4,145,972	4.00%	4,311,811	4.00%
Town Personnel Services	23,539,819		24,481,411		25,460,668	4.00%	26,479,094	4.00%	27,538,258	4.00%
Expenses	9,729,300		10,092,203		10,422,218	3.27%	10,192,929	-2.20%	10,600,647	4.00%
Less Offsets:										
Enterprise Fund/Other	2,073,334	4.00%	2,156,267	4.00%	2,242,518	4.00%	2,332,218	4.00%	2,425,507	4.00%
Tip Fee Stabilization Fund	680,000	0.00%	680,000	0.00%	631,124	-7.19%		-100%		
Net Town Budget	30,515,785	4.01%	31,737,348	4.00%	33,009,244	4.01%	34,339,806	4.03%	35,713,398	4.00%
MWRA Debt Shift	5,593,112		5,593,112		5,593,112		5,593,112		5,593,112	
B. Capital budget										
Exempt Debt Service	2,727,097	-2.97%	2,638,046	-3.27%	2,556,253	-3.10%	2,449,319	-4.18%	2,357,581	-3.75%
Non-Exempt Service	5,180,547	9.76%	5,267,337	1.68%	5,530,704	5.00%	5,807,239	5.00%	6,097,601	5.00%
Cash	883,927	3.41%	891,700	0.88%	936,285	5.00%	983,099	5.00%	1,032,254	5.00%
Total Capital	8,791,571	4.84%	8,797,083	0.06%	9,023,242	2.57%	9,239,657	2.40%	9,487,436	2.68%
C. Pensions	7,544,144	4.00%	7,845,910	4.00%	8,159,746	4.00%	8,486,136	4.00%	8,825,581	4.00%
D. Insurance	18,387,755	7.00%	19,674,897	7.00%	21,052,140	7.00%	22,525,790	7.00%	24,102,595	7.00%
E. State Assessments	2,889,596	2.50%	2,961,836	2.50%	3,035,882	2.50%	3,111,779	2.50%	3,189,573	2.50%
F. Offset Aid - Library & School	75,761	0.00%	75,761	0.00%	75,761	0.00%	75,761	0.00%	75,761	0.00%
G. Overlay Reserve	600,000	-25.00%	600,000	0.00%	600,000	0.00%	600,000	0.00%	600,000	0.00%
H. Other Crt Jdgmnts/ Snow Deficit	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000	0.00%
I. Warrant Articles	929,649	0.00%	929,649	0.00%	929,649	0.00%	929,649	0.00%	929,649	0.00%
J. Override Stabilization Fund										
TOTAL APPROPRIATIONS	120,680,679	4.03%	125,371,034	3.89%	130,508,431	4.10%	135,880,531	4.12%	141,523,101	4.15%
BALANCE	(3,650,642)		(6,352,110)		(7,966,593)		(10,260,787)		(12,746,895)	



Roundtable Discussions

- List of Town and School services
- Small group discussions of questions
 - What are the most important services the town and school provide?
 - What are the least important services the town and schools provide?
 - As a group, come up with three ideas for town officials to explore that you think will help town government with the financial issues presented in the presentation. These can be ways to increase income, ways to cut costs or changes in the services currently provided based on what you believe the town's priorities should be.
- Review results from discussions
- Timeframe – 40 minutes